International Seabed Authority ISBA/21/LTC/8/Rev.2

Legal and Technical Commission

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Status of contracts for exploration in the Area

Report of the Secretary-General

1. The present report provides members of the Legal and Technical Commission with information on the status of contracts for exploration in the Area. Exploration contracts currently pertain to three mineral resources: polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts. In addition, the report contains information on the status of implementation of the decision of the Assembly of 25 July 2013 relating to the establishment of overhead charges for the administration and supervision of exploration contracts. The information provided herein is up to date as at 1 July 2015.

I. Status of exploration contracts

2. As at 1 June 2015, 22 contracts for exploration had entered into force (14 for exploration for polymetallic nodules, 5 for exploration for polymetallic sulphides and 3 for exploration for cobalt-rich ferromanganese crusts). A complete list of the contracts, with details of the contractor and the date of entry into force of each contract, is provided in annex I to the present report.

3. Since the twentieth session, five new contracts have been signed. On 18 November 2014, a contract for exploration for polymetallic sulphides with the Institut français de recherche pour l'exploitation de la mer (IFREMER) was signed in Issy-les-Moulineaux, France. A contract for exploration for polymetallic nodules with Marawa Research and Exploration Ltd. was signed in New York on 19 January 2015. A contract for exploration for polymetallic nodules with Ocean Mineral Singapore Pte Ltd. was signed in Kingston on 15 January 2015 and in Singapore on 22 January 2015. On 10 March 2015, the Authority entered into a contract for exploration for cobalt-rich ferromanganese crusts with the Ministry of Natural Resources and Environment of the Russian Federation. The contract for exploration for polymetallic sulphides with the Federal Institute for Geosciences and Natural Resources of Germany was signed in Berlin on 6 May 2015. It is anticipated that the

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contract for exploration for polymetallic nodules with UK Seabed Resources Ltd. will be signed prior to the session in July 2015.

4. With regard to the three remaining plans of work for exploration approved by the Council during its twentieth session, it is expected that contracts will be signed with the respective applicants in 2015.

II. Status of consultations regarding the implementation of decision ISBA/19/A/12

5. By its decision of 25 July 2013 (ISBA/19/A/12), the Assembly established an annual overhead charge of $47,000 to cover the costs incurred by the Authority in administering and supervising contracts. The charge is due to be paid by each contractor by 31 March each year. The decision is to be implemented through the addition of two new clauses (sects. 10.5 and 10.6) to the standard clauses for exploration contracts. The decision of the Assembly also specifies the date of its entry into force (25 July 2013) and contains special provisions regarding its effect with regard to existing contracts and pending and approved applications received before 25 July 2013.

A. Applications submitted after 25 July 2013

6. The decision of the Assembly has immediate effect from the date of its adoption (25 July 2013), meaning that standard clauses 10.5 and 10.6 will apply automatically to any contract entered into as a result of an application for approval of a plan of work for exploration submitted after that date.

B. Existing contracts

7. As regards exploration contracts that had already entered into force as at 25 July 2013, the Assembly had requested the Secretary-General to consult each contractor with a view to making revisions to the contracts, in accordance with section 24.2 of the standard clauses, in order to incorporate clauses 10.5 and 10.6. Those consultations are continuing and their status is reflected in annex II to the present report.

C. Applications submitted before 25 July 2013

8. Four of the seven applications approved by the Council in July 2014 were submitted before 25 July 2013. Those were from the Ministry of Natural Resources and Environment of the Russian Federation (received on 6 February 2013), UK Seabed Resources Ltd. (received on 8 February 2013), the Government of India (received on 26 March 2013) and Ocean Mineral Singapore Pte Ltd. (received on 19 April 2013). The Ministry of Natural Resources and Environment of the Russian Federation and Ocean Mineral Singapore Pte Ltd. agreed to include the new standard clauses in their respective contracts, while consultations are under way with UK Seabed Resources Ltd. and the Government of India in that regard. The contracts for exploration with IFREMER (polymetallic sulphides) and Marawa

Research and Exploration Ltd. (polymetallic nodules) (applications submitted on 23 May and 30 May 2012, respectively) also include those clauses.

III. Recommendation

9. The Commission is invited to take note of the present report.

Annex I

Status of approved contracts for exploration

A. Contracts for exploration for polymetallic nodules

Contractor	*Date of entry into force*	*Sponsoring State*	*General location of the exploration area*	*Date of expiry*
Interoceanmetal Joint Organization	29 March 2001	Bulgaria, Cuba, Czech Republic, Poland, Russian Federation and Slovakia	Clarion-Clipperton Fracture Zone	28 March 2016
Yuzhmorgeologiya	29 March 2001	Russian Federation	Clarion-Clipperton Fracture Zone	28 March 2016
Government of the Republic of Korea	27 April 2001	–	Clarion-Clipperton Fracture Zone	26 April 2016
China Ocean Mineral Resources Research and Development Association	22 May 2001	China	Clarion-Clipperton Fracture Zone	21 May 2016
Deep Ocean Resources Development Co. Ltd.	20 June 2001	Japan	Clarion-Clipperton Fracture Zone	19 June 2016
Institut français de recherche pour l'exploitation de la mer	20 June 2001	France	Clarion-Clipperton Fracture Zone	19 June 2016
Government of India	25 March 2002	–	Central Indian Ocean Basin	24 March 2017
Federal Institute for Geosciences and Natural Resources of Germany	19 July 2006	Germany	Clarion-Clipperton Fracture Zone	18 July 2021
Nauru Ocean Resources Inc.	22 July 2011	Nauru	Clarion-Clipperton Fracture Zone (reserved area)	21 July 2026
Tonga Offshore Mining Limited	11 January 2012	Tonga	Clarion-Clipperton Fracture Zone (reserved area)	10 January 2027
Global Sea Mineral Resources NV	14 January 2013	Belgium	Clarion-Clipperton Fracture Zone	13 January 2028
UK Seabed Resources Ltd.	8 February 2013	United Kingdom of Great Britain and Northern Ireland	Clarion-Clipperton Fracture Zone	7 February 2028
Marawa Research and Exploration Ltd.	19 January 2015	Kiribati	Clarion-Clipperton Fracture Zone (reserved area)	18 January 2030

Contractor	*Date of entry into force*	*Sponsoring State*	*General location of the exploration area*	*Date of expiry*
Ocean Mineral Singapore Pte Ltd.	Signed in Kingston on 15 January 2015 and in Singapore on 22 January 2015	Singapore	Clarion-Clipperton Fracture Zone (reserved area)	21 January 2030
UK Seabed Resources Ltd.	To be signed	United Kingdom of Great Britain and Northern Ireland	Clarion-Clipperton Fracture Zone	–
Cook Islands Investment Corporation	To be signed	Cook Islands	Clarion-Clipperton Fracture Zone (reserved area)	–

B. Contracts for exploration for polymetallic sulphides

Contractor	*Date of entry into force*	*Sponsoring State*	*General location of the exploration area*	*Date of expiry*
China Ocean Mineral Resources Research and Development Association	18 November 2011	China	South-west Indian Ridge	17 November 2026
Government of the Russian Federation	29 October 2012	–	Mid-Atlantic Ridge	28 October 2027
Government of the Republic of Korea	24 June 2014	–	Central Indian Ocean	23 June 2029
Institut français de recherche pour l'exploitation de la mer	18 November 2014	France	Mid-Atlantic Ridge	17 November 2029
Government of India	To be signed	–	Indian Ocean Ridge	–
Federal Institute for Geosciences and Natural Resources of Germany	6 May 2015	Germany	Central Indian Ridge and South-east Indian Ridge	5 May 2030

C. Contracts for exploration for cobalt-rich ferromanganese crusts

Contractor	*Date of entry into force*	*Sponsoring State*	*General location of the exploration area*	*Date of expiry*
Japan Oil, Gas and Metals National Corporation	27 January 2014	Japan	Western Pacific Ocean	26 January 2029
China Ocean Mineral Resources Research and Development Association	29 April 2014	China	Western Pacific Ocean	28 April 2029
Ministry of Natural Resources and Environment of the Russian Federation	10 March 2015	–	Magellan Mountains in the Pacific Ocean	9 March 2030
Companhia de Pesquisa de Recursos Minerais S.A.	To be signed	Brazil	Rio Grande Rise in the South Atlantic Ocean	–

Annex II

Status of consultations with regard to the revision of exploration contracts existing as at 25 July 2013

Contractor	*Status*
Government of the Russian Federation (sulphides)	Under consideration
China Ocean Mineral Resources Research and Development Association (sulphides)	Accepted on 1 July 2015
Tonga Offshore Mining Limited	Accepted on 18 February 2014
Nauru Ocean Resources Inc.	Accepted subject to formal confirmation
Institut français de recherche pour l'exploitation de la mer (nodules)	Under consideration
Global Sea Mineral Resources NV	Accepted on 19 December 2013
China Ocean Mineral Resources Research and Development Association (nodules)	Accepted on 1 July 2015
Yuzhmorgeologiya	Under consideration
Government of India	Under consideration
Government of the Republic of Korea	Accepted on 17 June 2014
Federal Institute for Geosciences and Natural Resources of Germany	Accepted on 21 March 2014
Deep Ocean Resources Development Ltd.	Accepted on 9 January 2014
Interoceanmetal Joint Organization	Accepted on 28 April 2015
UK Seabed Resources Ltd.	Fee paid for 2014 and 2015